Many Happy Returns?

Retailers Must Disclose Their Return Policies to Holiday Shoppers if Extra Conditions -- Like Restocking Fees -- Are Part of the Deal

Going by the lines at return counters after the holidays, returning or exchanging gifts is a seasonal tradition for many Californians.

California law protects retail customers from unfair or deceptive return practices. But the law allows retailers to impose conditions on returns -- such as restocking fees -- as long as customers are advised of the conditions prior to purchase.

The law says the common consumer expectation is for a store to provide a refund, credit or exchange if the customer returns the product within seven days with proof of purchase. If a retailer selling to California customers has a return policy that differs from this standard, they must disclose it. If no return policy is posted, the standard policy should apply.

If a retailer has a return policy that has additional conditions, such as charging restocking fees, or requiring the customer to bring back the product in the original packaging, they must conspicuously display their nonstandard return policy.

Keep the Season Bright
Be a Safe and Smart
Holiday Consumer

RETAIL RETURN TIPS

► **Check return policy before you buy**
► **Save receipts and original packaging**
► **Ask for gift receipts**

Return policies with extra conditions or fees have to be posted prominently in at least one of the following places:

- ► on signs by entrances;
- ► on signs at cash registers;
- ► on product tags; or
- ► on order forms.

Consumers should always ask if they aren't sure what the return policy is. It's important to consider time limits that affect returns, especially when gifts are purchased far in advance. By considering return policies while shopping, gift givers can factor them into the purchasing decision and spare the gift recipient excessive fees or restrictive conditions.

The laws on return policies apply to all companies who sell retail goods to California consumers, at stores, by mail or online.

If a store is not offering the standard return policy, they have to tell customers at least the following about their policy:

- ► whether a cash refund, store credit or exchange will be given for the full amount of the purchase price;
- ► the time period during which the customer may return the merchandise;
- ► the types of merchandise covered by the policy;

► any other conditions that govern the refund, credit, or exchange of merchandise, such as paying a restocking fee, providing original packaging, or having proof of purchase.

There are exceptions for merchandise that isn't returnable. Retailers don't have to offer refunds or exchanges for perishable items like food, flowers, and plants. Other exceptions are goods damaged by the customer, goods sold with warnings like "as is" or "all sales final," and goods that can't be returned for health considerations.

Customers should be able to return defective merchandise without respect to the return policy, unless the product was sold with required "as is" or "with all faults" notifications that allow consumer warranty rights to be voided.

If a retailer violates the law on retail returns and refuses to accept a return or imposes hidden fees, they can be liable to the customer, in a civil court action such as small claims court, for at least the price of the goods. To have a claim, the customer must return or try to return the merchandise within 30 days of purchase.

If the problem is more serious, under California law prohibiting deceptive business practices, a court could award actual damages to consumer victims, individually or as part of a class action. The court could also impose punitive damages or order the business to halt the deceptive practice.

For more holiday consumer tips (link to 2007 pages) visit www.consumer.ca.gov. For details on the return policy law, check the Department of Consumer Affairs legal guide "Display of Return Policy by Retail Sellers."